

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

D.T.E. 02-24

D.T.E. 02-25

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF  
TELECOMMUNICATIONS AND ENERGY TO  
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

---

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Fitchburg Gas and Electric Light Company (“Fitchburg” or “Company”) the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:  
  
Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term “document” is used in its broadest sense and includes, without limitation,

writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and on all parties; also submit three (3) copies of the responses to Jeanne L. Voveris, Hearing Officer, six (6) copies of the responses to Sean Hanley, Assistant Director - Rates and Revenue Requirements Division and six (6) copies of the responses to Paul Osborne, Assistant Director - Rates and Revenue Requirements Division.
8. In addition to filing, all non-proprietary responses should be submitted by e-mail to [dte.efiling@state.ma.us](mailto:dte.efiling@state.ma.us) and to the e-mail address of any party required to be served.

### INFORMATION REQUESTS

- |         |  |
|---------|--|
| DTE 1-1 | Please provide a copy of each survivor curve that was created to support the depreciation analysis.  |
| DTE 1-2 | Refer to Exh. FGE-Schedule JHA-1 (Gas) at 38 of 56. Please provide a complete explanation of the "engineering judgement" used to propose (1) an average service life of 40 years for Account 365.00, (2) an average service life of 40 years for Account 364.00, and (3) an average service life of 46 years for Account 362.00. |
| DTE 1-3 | Refer to Exh. FGE-Schedule JHA-1 (Gas) at 40 of 56. Please provide a complete explanation of the "engineering judgement" used to (1) propose an average service life of 65 years for Account 367.00, and (2) an average service life of 45 years for Account 380.00.   |
| DTE 1-4 | Refer to Exh. FGE-Schedule JHA-1 (Gas) at 40 of 56. Please provide a complete explanation of the "engineering judgement" used to propose the negative salvage values for Account 367.00 and Account 380.00.  |

First Set of Information Requests

- DTE 1-5 Refer to Exh. FGE- Schedule JHA-1 (Gas) at 8 of 56. Please explain, by way of an example, what is meant by the last four sentences on this page.
- DTE 1-6 Refer to Exh. FGE- Schedule JHA-1 (Gas) at 12 of 56 (last sentence under "A Study Authorization"). Please list and explain all instances in which changing technology influenced obsolescence in this filing.
- DTE 1-7 Refer to Exh. FGE-Schedule JHA-1 (Gas) at 13 of 56. Please list and explain all instances where management's future plans and expectations were employed to derive the depreciation accrual rates in this filing.
- DTE 1-8 Please provide, for the months December 2000 through December 2001, the balance of the Company's customer deposits.
- DTE 1-9 Please provide, for the months December 2000 through December 2001, the balance of the Company's customer advances.
- DTE 1-10 Please provide, with supporting material, a complete description of the Company's "contributions for extensions" policy.
- DTE 1-11 Refer to Exh. FGE-Schedule MHC-7-19, line 13. Please explain, by way of example, how the 38.91 percent allocation was derived.
- DTE 1-12 Refer to Exh. FGE-Schedule MHC-7-21, lines 2, 5. Please explain in detail the reasons for the adjustments of \$54,294 and \$22,220, respectively. Provide the appropriate calculations used to arrive at these adjustments.
- DTE 1-13 What dates did Mr. Aikman tour the Company's physical plant as part of preparing the depreciation study presented in this proceeding?
- DTE 1-14 Refer to Exh. FGE-JHA-1, at 6 of 16, lines 14-16. Please provide the names and titles of the Company personnel with whom Mr. Aikman had discussions with during his tour of the Company's physical plant.

- DTE 1-15 Please provide a list of all occurrences, changes in policy, procedure, equipment or practices which might affect services lives, salvage, or removal costs identified by Mr. Aikman as a result of the physical plant inspections and discussions with Company personnel. For each such event, please provide a description of the change or occurrence, the assets affected by the change, and the effect of such changes on the service lives, salvage values, or removal costs associated with the assets.
- DTE 1-16 Please provide a copy of all notes, memorandum or other written materials created during and as a result of Mr. Aikman's examination of the Company's plant and discussions with Company personnel.
- DTE 1-17 Please itemize and quantify, on an account-by-account basis, any changes made to test year-end plant balances.
- DTE 1-18 Please provide a copy of each plant account or subaccount life analysis performed for the depreciation study.
- DTE 1-19 Please provide a copy of each plant account or subaccount salvage value analysis performed for the depreciation study.
- DTE 1-20 Refer to Schedule MHC-7-10 (Gas). Please provide an explanation of why the Company experienced a 62 percent increase in net writeoffs between 2000 and 2001.
- DTE 1-21 Refer to Exh. MHC-1 (Gas) at 44. Please describe any measures the Company has taken in the past, as well as those taken currently, to reduce bad debt expense.
- DTE 1-22 Refer to Schedule MHC-7-10 (Gas). Please provide the Company's test year normalized total revenues broken down into gas-related and non-gas related revenues. In addition, provide any cost of service schedules that support this allocation.
- DTE 1-23 Refer to Schedule MHC-7-15 (Gas) at 1, line 15. Please explain why the fixed lease amount is a negative number.
- DTE 1-24 Refer to Exh. MHC-1 (Gas) at 57. Please provide all updates the Company has made to its postage expense adjustment.

- DTE 1-25 Please provide in table format, separately for gas and electric operations, the Company's test year total wage and salary expense. Indicate how much of the wage and salary expense was for union, non-union, and officers/directors categories. Indicate how much of the wage and salary expense was attributable to utility operations and maintenance and how much was attributable to non-utility operations and maintenance. Describe how these allocations were determined.
- DTE 1-26 Please provide in table format, separately for gas and electric operations, the amounts and annual percentage increases for the Company's total wage and salary expense for the period 1992 to the present. Indicate how much of the totals for each year were attributable to utility operations and maintenance and how much were attributable to non-utility operations and maintenance. Describe how these allocations were determined.
- DTE 1-27 Please provide, separately for electric and gas operations, the current number of Company employees under the officers/directors, non-union, and union categories.
- DTE 1-28 How many union contracts does the Company presently have for gas operations and electric operations?
- DTE 1-29 Do the adjustments to test year payroll expenses for gas and electric operations apply only to utility employees?
- DTE 1-30 Please provide in table format, separately for gas and electric operations, the Company's total test year medical expenses and the amounts and annual percentage increases for total medical expenses from 1992 to the present. Indicate how much of these amounts were attributable to utility operations and maintenance and how much were attributable to non-utility operations and maintenance. Describe how these allocations were determined.
- DTE 1-31 Please describe, for both gas and electric operations, the actions the Company has taken to contain health care costs.

First Set of Information Requests

- DTE 1-32 Refer to the testimony of Mark. H. Collin at 16, and Exh. FGE-MHC-3 (Gas) at 2-9. Please provide:
- (1) the total annual capital expenditures for years 1998 through 2001;
  - (2) the total annual capital expenditures for years 1998 through 2001 for expenditures in excess of \$50,000; and
  - (3) the difference between (1) and (2).
- DTE 1-33 Refer to the testimony of Mark H. Collin at 15. Please provide a schedule similar to Schedule MHC-8 (Gas) showing the breakdown of the 1997 utility plant in service of \$29,362,232.
- DTE 1-34 Refer to the testimony of Mark H. Collin at 16. Please describe in detail the "[c]oncentrated review efforts by engineers and operations personnel [that] have resulted in many upgrades and replacements." Provide any studies and reports made as a result of such review.
- DTE 1-35 Refer to Exh. FGE-MHC-3 (Gas) at 3-9. Please provide the account number under which each capital expense item was booked.
- DTE1-36 Please provide a copy of the Company's main replacement program for each year from 1998 through 2005.
- DTE1-37 Please provide a copy of the Company's cast iron pipe replacement program, including and any status reports, for each year from 1995 through 2001.
- DTE 1-38 Refer to the testimony of Mark H. Collin at 28 of 71 and Schedule MHC-7-1 (Gas). Please explain how the Company determined that the operating revenues portion of the weather normalization adjustment is \$44,937. Also, explain how the purchased gas portion of the weather normalization adjustment reduces the revenue portion of the adjustment by \$2,553. Provide all work papers and supporting materials, including spreadsheets in Microsoft Excel format.
- DTE 1-39 Refer to the weather normalized revenue adjustment in Schedule MHC-7-1 and the weather normalized revenue adjustment in Schedule JLH-2. Please explain why they differ.

## First Set of Information Requests

- DTE 1-40 Refer to the testimony of James L. Harrison at 2 of 48. Please provide support for Mr. Harrison's statement that "the company's sales are extremely weather sensitive."
- DTE 1-41 Refer to the testimony of James L. Harrison at 2 of 48. Please provide support for Mr. Harrison's statement that "even small variations in weather can have a material impact on the sales and revenues of the Company." Also, provide an actual example that demonstrates this statement.
- DTE 1-42 Refer to testimony of James L. Harrison at 3 of 48. Please provide, for each month that the large transportation customer was not billed correctly, the initial amount billed to this customer under Rate G-53 and the corrected amount billed under Rate G-43. Please provide a copy of this response in Microsoft Excel format.
- DTE 1-43 Refer to the testimony of James L. Harrison at 4 of 48. Please provide, for each month that the one customer was canceled and rebilled in May 2001, the initial amount billed to this customer under Rate G-43 and the corrected amount billed under Rate G-42. Please provide a copy of this response in Microsoft Excel format.
- DTE 1-44 Refer to the testimony of James L. Harrison at 4 of 48. Please provide support for the Company's assumption that "57 % of residential class's metered volumes occurred in the previous month."
- DTE 1-45 Refer to the testimony of James L. Harrison at 5 of 48. Please provide the base load usage for each rate class using the average use per customer in the months of July and August.
- DTE 1-46 Refer to the testimony of James L. Harrison, Schedule JLH-7 (Gas) at 6 of 7. Please confirm that the equation for total revenues (Column 17) should be the sum of gas revenues (Column 11) and the base revenue target (Column 16), rather than the sum of the low income subsidy (Column 15) and the base revenue target (Column 16).

- DTE 1-47 Refer to the testimony of Karen M. Asbury at 4 of 17 ("The new rates and tariffs are proposed to become effective for usage consumed on and after June 1, 2002"). The old summer rates will be in effect on May 1, 2002, one month before the new rates are expected to take effect. Please describe the method that the Company will use to prorate its customers' bills from the existing rates to the new rates. Demonstrate this method by providing a real customer example.
- DTE 1-48 Please provide copies of Exhibits JLH-1 (Gas), KMA-3 (Gas), KMA-4 (Gas), and KMA-6 (Gas) in Microsoft Excel format.
- DTE 1-49 Refer to the billing determinants of Exh. JLH-3 and Exh. KMA-4. Please explain all differences.
- DTE 1-50 Refer to the rate design information in Exh. JLH-7 and Exh. KMA-3. Please explain all differences.
- DTE 1-51 Refer to the testimony of Karen M. Asbury at 13 of 17. Please explain why the Company proposes to reconcile the remaining revenue requirement 50 percent to demand and 50 percent to the volumetric charge for the Rates G-43 and G-53 customers.
- DTE 1-52 Refer to the testimony of Karen M. Asbury, Schedule KMA-4 (Gas). Please define "Booked Distribution Therm Revenue" and provide a reference that supports where these revenues come from.
- DTE 1-53 Refer to the testimony of Karen M. Asbury, Schedule KMA-6, at 9-10. Please describe all alternative rate designs the Company reviewed to reduce the bill impacts to transportation customers on Rates G-43 and G-53.
- DTE 1-54 Refer to the testimony of Karen M. Asbury, Schedule KMA-6, at 9-10. Please describe how the Company determined the proposed demand-based rates for G-43 and G-53 customers.
- DTE 1-55 Refer to the testimony of Mark H. Collin, at 27. Please identify where the adjustment for unbilled revenues is discussed in the testimony of James L. Harrison and identify all schedules and workpapers that support the proposed unbilled revenue adjustment.



- DTE 1-56 Refer to testimony of Karen M. Asbury at 14-15.
- (1) Please explain how the Company's proposal to remove the reconciliation features in the current Cost of Gas Adjustment Clause is consistent with its proposal to adjust these production base rate components annually by the PBR adjustment.
  - (2) What are the benefits of having the costs of these production base rate components change annually like distribution base rates?
- DTE 1-57 Refer to testimony of Karen M. Asbury at 15. Where would potential outstanding balances of the production base rate components appear (along with associated prior period adjustments) within the Gas Adjustment Factor?
- DTE 1-58 Refer to Schedule JLH-6 (Gas). Please provide, in Microsoft Excel format, the original electronic working files and models (with all formulas intact) that are background to the marginal cost study found in this schedule. Also, provide all supporting work papers, calculations, assumptions and the basis for any assumptions.
- DTE 1-59 Refer to Schedule JLH-6 (Gas). Please provide, in Microsoft Excel format, the original electronic working files (with all formulas intact) for the spreadsheet analysis found in this schedule. Also, provide all supporting work papers, calculations, assumptions and the basis for any assumptions.

Dated: June 24, 2002

---

Jeanne L. Voveris, Hearing Officer